



Meeting: Plan Commission
Meeting Date: 6/20/11
Agenda Item: 19

Mission Statement
Delivering quality services in a courteous,
cost-effective and efficient manner.

PLAN COMMISSION MEETING STAFF REPORT

REPORT TO: Burt R. McIntyre, President and
Plan Commission

REPORT FROM: Chris Haltom, Exec. Dir. of Administrative Services

AGENDA ITEM: Review and take action on Resolution No. 2011-1 of the Plan
Commission Calling For A Public Hearing on Proposed Amendment of
Boundaries and Project Plans for Tax Incremental Districts No. 4 & 5
in the Village of Howard, Wisconsin

POLICY ISSUE

Does the Plan Commission desire to amend the boundaries of TID No. 4 and 5?

BACKGROUND INFORMATION

After obtaining the 2010 equalized valuations for TID No. 4, 5 and 6, the Village learned that each of these TIDs had a negative increment. Staff has been working with the assessor, the state's equalization office, legislators and consultants to determine the best way to solve the problem of the negative increments. To date, none of the proposed modifications will result in eliminating the negative increments, but one method will produce the lowest negative increment. That method is to amend the TIDs and remove properties from the TIDs. The state equalization office recently informed the Village that the negative increments could possibly become larger in 2011.

Removing properties from the TIDs will result in lowering the negative increment to a much smaller amount, thereby allowing for more possibilities to incentivize development within the TIDs. All three TIDs currently have possible developments that may require TID incentives. The TID amendments would be made to remove most of the properties within the three TIDs while keeping the areas of possible development. Should other projects be identified in the future that need assistance through TID, new TIDs would need to be created.

PRIOR ACTION/REVIEW

The Village Board approved creation of TID No. 4 in June 2007 and TID 5 and 6 in August 2008.

FISCAL IMPACT:

1. Is There A Fiscal Impact? Yes
2. Is it Currently Budgeted? No
3. If Budgeted, Which Line? N/A

RECOMMENDED ACTION

Village staff recommends the Plan Commission approve Resolution No. 2011-1, calling for a public hearing on proposed amendment of boundaries and project plans for Tax Incremental Districts No. 4 and 5.

If the Plan Commission agrees with this action, the following motion could be made, "*Motion to approve Plan Commission Resolution 2011-1.*"

POLICY ALTERNATIVE(S)

The Plan Commission could take the following actions:

- Take no action and maintain the existing TIDs.
- Table the suggested motion and request additional information.

ATTACHED INFORMATION

- I. TID Amendment Timeline
- II. Cash Flow Update for TIDS 4 and 5
- III. Plan Commission Resolution 2011-1

ATTACHMENT I

VILLAGE OF HOWARD, WI
 TAX INCREMENTAL DISTRICTS NO. 4, 5 & 6
 PROJECT PLAN & BOUNDARY SUBTRACTION AMENDMENTS
 Proposed Timetable – 4/5/11

ACTION DATE	STEP
April	Village will provide Ehlers with a list of the parcel tax key #'s to be removed, the DOR required maps for the project plans, remaining lists of projects and costs, etc.
April	Ehlers will prepare & provide the Village with a feasibility analysis report, options, and/or draft project plan document
April 18	Plan Commission makes a motion to call for a public hearing (optional).
April 22	Ehlers will send a Class 1 Notice to Official Village Newspaper of organizational JRB meeting. (cc: Village)
	Ehlers will send a Class 2 Notice to Official Village Newspaper of public hearing. (cc: Village)
	Ehlers will send notification letters, along with required enclosures, to overlapping taxing jurisdictions of JRB organizational meeting & public hearing, as well as the Agenda - to be posted by the Village. (cc: Village & attorney) (Letters must be postmarked prior to first publication).
April	Ehlers will provide Village, overlapping taxing entities, and/or Village Attorney with [revised] draft Project Plan document, if not yet provided and/or necessary, as well as the agenda language (Village to post) & resolution for first meetings, and will also request a legal opinion of the plan.
April 29	Publication of Organizational JRB Meeting (At least 5 days prior to meeting)
April 29	First Publication of Hearing Notice (Week prior to second notice)
May 6	Second Publication of Hearing Notice. (At least 7 days before public hearing)
May 16	Joint Review Board meets to review plan, appoint chairperson and fifth member and set next meeting date. (Within 14 days after publication, but prior to hearing)
	Plan Commission Public Hearing on Project Plan and approval of TID boundary.
	Plan Commission reviews plan & approval of District Project Plan and boundaries.
May 17	Ehlers will provide Village & Village Attorney with revised draft Project Plan, if necessary, as well as the agenda language (Village to post) & resolution for Village Board meeting.
May 23	Village Board reviews plan & adopts resolution approving District Project Plan and boundaries.
TBD	Ehlers will send notices & required attachments to JRB of the final meeting, along with the Agenda (Village to post). (cc: Village & Attorney) (Letters must be postmarked prior to publication).
TBD	Ehlers will send a Class 1 Notice to Official Village Newspaper of JRB meeting. (cc: Village)
TBD	Publication of JRB Meeting (At least 5 days prior to meeting)
TBD	Approval by Joint Review Board. (Within 30 days of notification of meeting / receipt of Plan Commission & Village Board resolutions)
June - October	Ehlers will gather, prepare, and submit state forms & required documents to the state, and we receive all remaining DOR required maps & legal descriptions & documents, etc. from the Village. DOR filing deadline October 31.

Village Board meets 2nd & 4th Monday @ 6:30 p.m.
 PC meets 3rd Monday

The Press, Ashwaubenon-Hobart Edition – publishes Friday via Thepress@new.rr.com
 Plan Commission meets on the 3rd Monday @ 6:30
 Village Board meets on the 2nd & 4th Monday @ 6:30

Village of Howard TID #4

Base Value		52,958,000		Inflation Factor		1.00%				
Construction Year	Valuation Year	Revenue Year	Inflation Increment	Removed Value	Development Area A	Development Area B	Development Area C	Valuation Increment	Tax Rate	Tax Increment
1	2007	2008	2009					1,777,300	17.69	31,444
2	2008	2009	2010					43,900	18.05	793
3	2009	2010	2011					(5,587,100)	18.75	0
4	2010	2011	2012	473,709				(5,113,391)	18.56	0
5	2011	2012	2013	478,446				(4,634,945)	18.38	0
6	2012	2013	2014	483,231				(4,151,714)	18.20	0
7	2013	2014	2015	488,063				(3,663,652)	18.01	0
8	2014	2015	2016	482,943				(3,170,708)	17.83	0
9	2015	2016	2017	497,873				(2,672,835)	17.65	0
10	2016	2017	2018	502,852				(2,169,983)	17.65	0
11	2017	2018	2019	507,880				(1,662,103)	17.65	0
12	2018	2019	2020	512,959				(1,149,144)	17.65	0
13	2019	2020	2021	518,089				(631,056)	17.65	0
14	2020	2021	2022	523,269				(107,766)	17.65	0
15	2021	2022	2023	528,502				420,716	17.65	7,428
16	2022	2023	2024	533,787				954,503	17.65	16,852
17	2023	2024	2025	539,125				1,493,628	17.65	26,370
18	2024	2025	2026	544,516				2,036,144	17.65	35,983
19	2025	2026	2027	549,961				2,588,106	17.65	45,693
20	2026	2027	2028	555,461				3,143,567	17.65	55,590
21	2027	2028	2029	561,016				3,704,582	17.65	65,404
22	2028	2029	2030	566,626				4,271,208	17.65	75,408
23	2029	2030	2031	572,292				4,843,500	17.65	85,512
24	2030	2031	2032	578,015				5,421,515	17.65	95,717
25	2031	2032	2033	583,795				6,006,311	17.65	106,024
26	2032	2033	2034	589,633				6,594,944	17.65	116,433
27	2033	2034	2035	595,529				7,190,473	17.65	126,948
Totals				12,777,573	0	0	0	12,777,573		891,507
										369,376
										510,951
										5.00%
										7.00%

Village of Howard											
TID #4 Projection											
Year	Miscellaneous Expenditures	Total Debt Payments	Projected TID Increment	Transfers In	Refunding	1.00% Interest Earnings	Total Revenues	Annual Balance	Cumulative Balance	Outstanding Debt	Year
2007		0	0	0	0	0	0	0	0	0	2007
2008		0	0	0	0	0	0	0	0	0	2008
2009	110,864	110,864	31,444	1,300,000	0	0	1,331,444	1,220,580	1,220,580	0	2009
2010	475,125	475,125	793	600,000	3,051	603,944	603,944	128,719	1,349,299	0	2010
2011		0	0	0	6,746	6,746	6,746	13,560	1,356,045	0	2011
2012		0	0	0	13,560	13,560	13,560	13,696	1,369,741	0	2012
2013		0	0	0	13,696	13,696	13,696	13,833	1,383,574	0	2013
2014		0	0	0	13,833	13,833	13,833	13,971	1,397,545	0	2014
2015		0	0	0	13,971	13,971	13,971	14,111	1,411,656	0	2015
2016		0	0	0	14,111	14,111	14,111	14,252	1,425,908	0	2016
2017		0	0	0	14,252	14,252	14,252	14,396	1,439,470	0	2017
2018		0	0	0	14,396	14,396	14,396	14,539	1,453,864	0	2018
2019		0	0	0	14,539	14,539	14,539	14,684	1,468,403	0	2019
2020		0	0	0	14,684	14,684	14,684	14,831	1,483,087	0	2020
2021		0	0	0	14,831	14,831	14,831	14,979	1,497,918	0	2021
2022		0	0	0	14,979	14,979	14,979	15,128	1,512,897	0	2022
2023		0	7,428	0	15,128	15,128	22,557	22,557	1,535,454	0	2023
2024		0	16,862	0	15,355	32,206	32,206	32,206	1,567,660	0	2024
2025		0	26,370	0	15,677	42,047	42,047	42,047	1,609,707	0	2025
2026		0	35,983	0	16,097	52,080	52,080	52,080	1,661,787	0	2026
2027		0	45,693	0	16,616	62,311	62,311	62,311	1,724,098	0	2027
2028		0	55,600	0	17,241	72,741	72,741	72,741	1,796,838	0	2028
2029		0	65,404	0	17,968	83,373	83,373	83,373	1,880,211	0	2029
2030		0	75,408	0	18,802	94,210	94,210	94,210	1,974,421	0	2030
2031		0	85,512	0	19,744	105,256	105,256	105,256	2,079,677	0	2031
2032		0	95,717	0	20,787	116,513	116,513	116,513	2,196,190	0	2032
2033		0	106,024	0	21,862	127,985	127,985	127,985	2,324,175	0	2033
2034		0	116,433	0	23,242	139,675	139,675	139,675	2,463,851	0	2034
2035		0	126,948	0	24,639	151,586	151,586	151,586	2,615,437	0	2035
TOTAL		555,989	891,507	1,900,000	0	409,919	3,201,426	2,615,437			



Village of Howard New-Fleet Farm Only

(Remove all other properties from TID #4)

Base Value		7,750,000 (Per Village e-mail of 3-10-11)		Inflation Factor		0.00%				
Construction Year	Valuation Year	Revenue Year	Initiation Increment	Removed Value	Fleet Farm	Development Area B	Development Area C	Valuation Increment	Tax Rate	Tax Increment
1	2007	2008	2009					0	17.89	0
2	2008	2009	2010					0	18.05	0
3	2009	2010	2011					0	18.75	0
4	2010	2011	2012					0	18.58	0
5	2011	2012	2013					0	18.36	0
6	2012	2013	2014					0	18.20	0
7	2013	2014	2015					0	18.01	0
8	2014	2015	2016	0	2,250,000			2,250,000	17.83	40,125
9	2015	2016	2017	0	6,500,000			8,750,000	17.65	154,481
10	2016	2017	2018	0				8,750,000	17.65	154,481
11	2017	2018	2019	0				8,750,000	17.65	154,481
12	2018	2019	2020	0				8,750,000	17.65	154,481
13	2019	2020	2021	0				8,750,000	17.65	154,481
14	2020	2021	2022	0				8,750,000	17.65	154,481
15	2021	2022	2023	0				8,750,000	17.65	154,481
16	2022	2023	2024	0				8,750,000	17.65	154,481
17	2023	2024	2025	0				8,750,000	17.65	154,481
18	2024	2025	2026	0				8,750,000	17.65	154,481
19	2025	2026	2027	0				8,750,000	17.65	154,481
20	2026	2027	2028	0				8,750,000	17.65	154,481
21	2027	2028	2029	0				8,750,000	17.65	154,481
22	2028	2029	2030	0				8,750,000	17.65	154,481
23	2029	2030	2031	0				8,750,000	17.65	154,481
24	2030	2031	2032	0				8,750,000	17.65	154,481
25	2031	2032	2033	0				8,750,000	17.65	154,481
26	2032	2033	2034	0				8,750,000	17.65	154,481
27	2033	2034	2035	0				8,750,000	17.65	154,481
Totals				0	8,750,000	0	0	8,750,000		2,975,262
										1,480,955
										6.00%

2014 - TID Closure Present Value @

Village of Howard



TID #4 Projection - Fleet Farm Only (all other property removed)

Year	Proposed 2014 PAYG Bonds			Total Debt Payments	Projected TID Increment	Capitalized Interest	Refunding	1.00% Interest Earnings	Total Revenues	Annual Balance	Cumulative Balance	Outstanding Debt	Year
	8/1 Principal	Rate	Interest										
2007				0	0			0	0	0	0	0	2007
2008				0	0			0	0	0	0	0	2008
2009				0	0			0	0	0	0	0	2009
2010				0	0			0	0	0	0	0	2010
2011				0	0			0	0	0	0	0	2011
2012				0	0			0	0	0	0	0	2012
2013				0	0			0	0	0	0	0	2013
2014				0	0			0	0	0	0	1,275,000	2014
2015				0	0			0	0	0	0	1,275,000	2015
2016		6.00%	76,500	76,500	40,125			0	40,125	(36,375)	(36,375)	1,275,000	2016
2017	40,000	6.00%	76,500	76,500	154,481			(364)	154,117	37,817	1,242	1,235,000	2017
2018	80,000	6.00%	74,100	154,100	154,481			12	154,493	393	1,635	1,155,000	2018
2019	85,000	6.00%	69,300	154,300	154,481			16	154,497	197	1,833	1,070,000	2019
2020	90,000	6.00%	64,200	154,200	154,481			18	154,499	299	2,132	980,000	2020
2021	95,000	6.00%	58,800	153,800	154,481			21	154,502	702	2,834	885,000	2021
2022	100,000	6.00%	53,100	153,100	154,481			28	154,509	1,409	4,243	785,000	2022
2023	110,000	6.00%	47,100	157,100	154,481			42	154,523	(2,577)	1,667	675,000	2023
2024	115,000	6.00%	40,500	155,500	154,481			17	154,488	(1,002)	664	560,000	2024
2025	125,000	6.00%	33,600	158,600	154,481			7	154,446	(4,112)	(3,448)	435,000	2025
2026	130,000	6.00%	26,100	156,100	154,481			(34)	154,430	(1,554)	(5,102)	305,000	2026
2027	135,000	6.00%	18,300	153,300	154,481			(51)	154,430	1,130	(3,972)	170,000	2027
2028	145,000	6.00%	10,200	155,200	154,481			(40)	154,441	(759)	(4,731)	25,000	2028
2029	25,000	6.00%	1,500	26,500	154,481			(47)	154,434	127,934	123,203	0	2029
2030		6.00%	0	0	154,481			1,232	155,713	155,713	278,916	0	2030
2031		6.00%	0	0	154,481			2,789	157,270	157,270	436,186	0	2031
2032		6.00%	0	0	154,481			4,362	158,843	158,843	595,029	0	2032
2033		6.00%	0	0	154,481			5,950	160,431	160,431	755,460	0	2033
2034		6.00%	0	0	154,481			7,555	162,036	162,036	917,495	0	2034
2035	0	6.00%	0	0	154,481			9,175	163,656	163,656	1,081,151	0	2035
TOTAL	1,275,000		649,800	1,924,800	2,975,262	0	0	30,689	3,005,951	1,081,151			



TID 5

Scale: 1" = 100'
Aerial Photography
© 2008

Handwritten scribble consisting of two parallel lines.



Village of Howard

Tax Increment District No. 5 Tax Increment Projection Worksheet

Type of District: **Mixed Use**
 Anticipated Creation Date: **8/11/2008**
 Valuation Date: **Jan. 1, 2008**
 Maximum Life (in Years): **20**
 Expenditure Period (in Years): **15**
 Revenue Periods/Final Rev Year: **20** } **2029**
 End of Expenditure Period: **8/11/2023**
 Latest Termination Date: **8/11/2028**
 Eligible for Extension/No. of Years: **Yes** } **3**
 Eligible Recipient District: **No**

Mixed Use
8/11/2008
Jan. 1, 2008
20
15
20 } 2029
8/11/2023
Yes } 3
No

Projected Base Value: **46,674,474**
 Property Appreciation Factor: **1.00%**
 Current Tax Rate (Per \$1,000 EV): **\$17.85**
 Tax Rate Adjustment Factor (Following 2 Years): **-5.00%**
 Tax Rate Adjustment Factor (Thereafter): **-2.50%**
-0.50%

46,674,474
1.00%
\$17.85
-5.00%
-2.50%
-0.50%

Apply Inflation Factor to Base?

Discount Rate 1 for NPV Calculation: **5.00%**
 Discount Rate 2 for NPV Calculation: **7.00%**

5.00%
7.00%

Construction Year	Value Added	Valuation Year	Inflation Increment	Valuation Increment	Revenue Year	Tax Rate	Tax Increment
1 2008		2009		259,800	2010	18.05	4,691
2 2009		2010		(2,791,300)	2011	18.75	
3 2010		2011	438,832	(2,352,468)	2012	18.28	
4 2011		2012	443,220	(1,909,248)	2013	18.19	
5 2012		2013	447,652	(1,461,596)	2014	18.10	
6 2013	0	2014	452,129	(1,009,467)	2015	18.01	
7 2014	0	2015	456,650	(552,817)	2016	17.92	
8 2015	0	2016	461,217	(93,601)	2017	17.83	
9 2016	0	2017	465,829	374,228	2018	17.74	6,639
10 2017	0	2018	470,487	844,715	2019	17.65	14,912
11 2018	0	2019	475,192	1,319,907	2020	17.56	23,184
12 2019	0	2020	479,944	1,795,851	2021	17.48	31,456
13 2020	0	2021	484,743	2,284,594	2022	17.39	39,728
14 2021	0	2022	489,591	2,774,185	2023	17.30	48,001
15 2022	0	2023	494,487	3,268,671	2024	17.22	56,274
16 2023	0	2024	499,431	3,768,103	2025	17.13	64,548
17 2024	0	2025	504,426	4,272,529	2026	17.04	72,823
18 2025	0	2026	509,470	4,781,999	2027	16.95	81,099
19 2026	0	2027	514,565	5,296,563	2028	16.87	89,377
20 2027	0	2028	519,710	5,816,274	2029	16.79	97,656

8,607,574

Future Value of Increment

630,388





Village of Howard
Tax Increment District No. 5
Cash Flow Pro Forma



Year	Revenues			Expenditures			Balances		Project Cost Principal Outstanding	Year		
	Tax Increments	Investment Earnings	Capitalized Interest	Total Revenues	Municipal Revenue Obligation (MRO)			Annual			Cumulative	
		3.00%	24 Months		G.O. Bond Dated		Dated					
					Prin (3/1)	Est. Rate	Interest	Prin (10/1)	Est. Rate	Interest		
2008											0	2008
2009											0	2009
2010	4,691			0							(49,001)	2010
2011	0			0							(43,525)	2011
2012	0			0							(43,525)	2012
2013	0			0							(43,525)	2013
2014	0			0							(43,525)	2014
2015	0			0							(43,525)	2015
2016	0			0							(43,525)	2016
2017	0			0							(43,525)	2017
2018	6,639			6,639							(36,886)	2018
2019	14,912			14,912							(21,974)	2019
2020	23,184			23,184							1,210	2020
2021	31,456	12		31,468							31,468	2021
2022	39,728	327		40,055							40,055	2022
2023	48,001	727		48,728							48,728	2023
2024	56,274	1,215		57,489							57,489	2024
2025	64,548	1,790		66,338							66,338	2025
2026	72,823	2,453		75,276							75,276	2026
2027	81,099	3,206		84,305							84,305	2027
2028	89,377	4,049		93,425							93,425	2028
2029	97,656	4,983		102,639							102,639	2029
Total	630,388	18,760	0	644,458							644,458	

NOTES: Projected TID Closure

ATTACHMENT III

Resolution No. 2011-1

**Resolution of the Plan Commission Calling For A Public Hearing
on Proposed Amendment of Boundaries and Project Plans for Tax Incremental Districts
No. 4 & 5 in the Village of Howard, Wisconsin**

WHEREAS, Wisconsin Statutes, Section 66.1105, provides a procedure for the creation and amendment of tax incremental districts;

WHEREAS, the Plan Commission is required to conduct a public hearing in accordance with Wisconsin Statutes, Section 66.1105(4), after written notice has been mailed to the chief executive officer of all local government entities having the power to levy taxes on property located within a proposed tax incremental district and to the school board of any school district which includes property located within a proposed tax incremental district and published as a Class 2 notice under Wisconsin Statutes, Chapter 985, prior to recommending the amendment and adoption of a Project Plan.

WHEREAS, the Plan Commission proposes to amend the boundaries to remove territory from Tax incremental Districts No. 4 & 5, and to amend the Project Plans to update and/or provide for the undertaking of additional expenditures.

NOW, THEREFORE, BE IT RESOLVED that the Village Clerk give proper notice of a public hearing on July 18, 2011 at the Howard Village Hall, for the purpose of amending the above described Districts in and for the Village and for the purpose of consideration of proposed project plans for said Districts.

Passed and adopted this _____ day of _____, 2011.

Plan Commission Chair

Secretary of the Plan Commission